

State of Co-ops in Minneapolis

CO-OP TECHNICAL ASSISTANCE PROGRAM



Introduction:

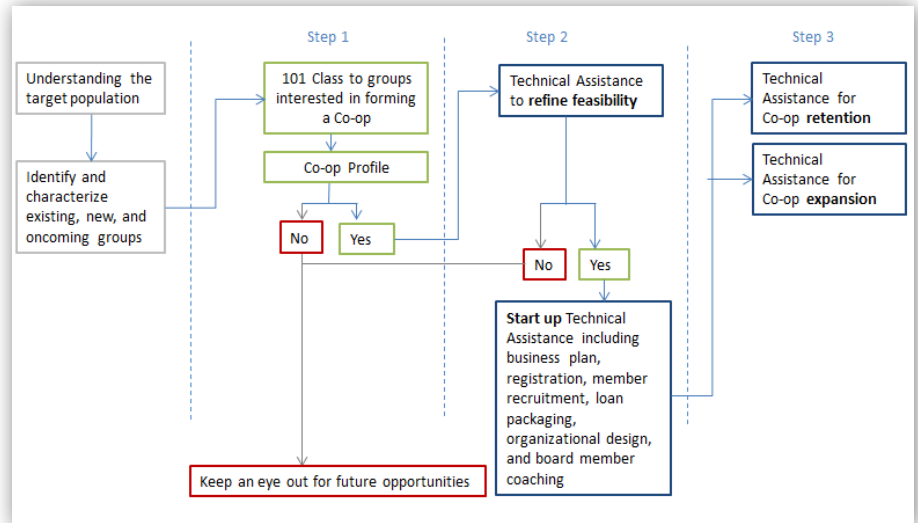
A growing number of cities across the country have begun exploring alternative approaches to economic and community development, and in this process have rediscovered the cooperative business model. For Minneapolis, this process of rediscovery has been aided by the fact that cooperative enterprises have long been an important part of the City's economic landscape. This historic presence has in turn created more cooperative legal and financing infrastructure, and a higher level of overall public familiarity, than is found in most other cities.

Why is the City involved?

By creating this new program, the City desires to leverage the co-op model for maximum community benefit to:

- Use the co-op model as an economic development tool to reduce poverty and promote social cohesion.
- Increase racial and ethnic diversity and community ownership.
- Promote innovation, community building, and local investment by promoting a more collaborative business model.

C-TAP 3-Step Model

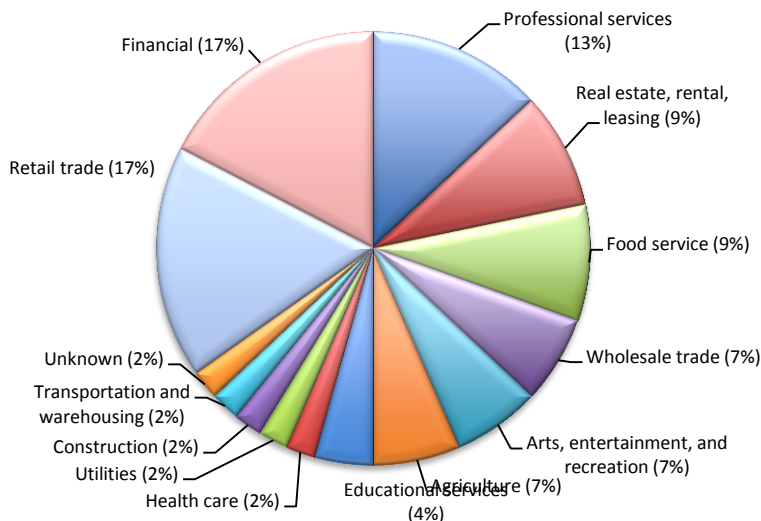


Cooperatives operating in five states:

	Number of Co-ops	Wages (millions \$)	Assets (millions \$)	Revenue (millions \$)	Members (thousands)	Employees (thousands)
Minnesota	1023	1622.7	90025.9	34049.0	3417.3	46.0
Wisconsin	649	784.7	24773.7	8601.4	2661.0	19.0
Iowa	458	577.0	11611.0	9133.3	1375.3	13.7
North Dakota	320	254.2	11302.4	4090.9	491.0	7.5
South Dakota	260	221.2	4077.9	2518.3	507.1	4.3

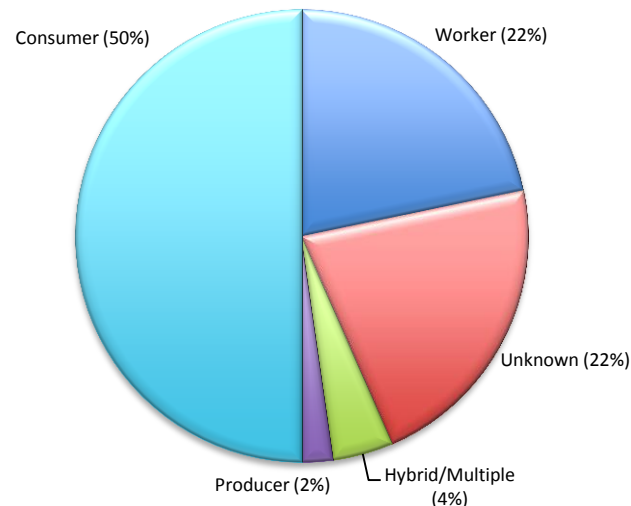
Minneapolis cooperatives by industry:

A cooperative can be identified according to its owners: consumer, worker, producer, or hybrid, and according to what purpose the cooperative serves.



Minneapolis cooperatives by membership type:

Active Minneapolis cooperatives are found widely dispersed among various industry sectors.



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The stages of cooperative development are not always fixed in an orderly sequence. For the purposes of this project, developing cooperative interviewees were placed into one of five stages:

Forming stage: an organized group is creating a vision for a cooperative business.

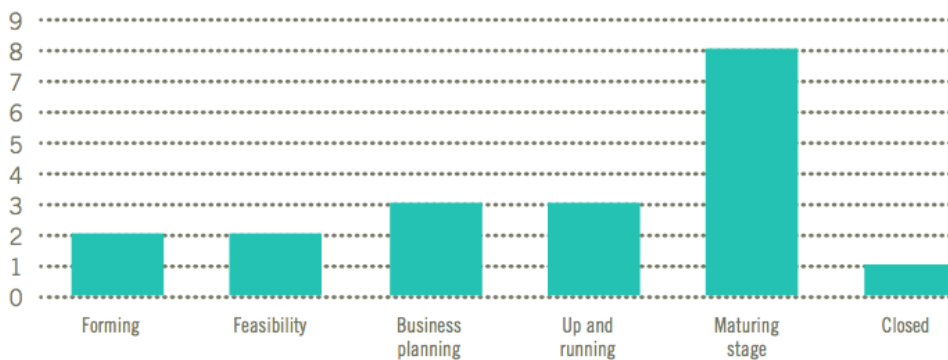
Feasibility stage: the steering committee is exploring membership and market potential.

Business planning stage: the steering committee is developing the business plan, seeking financing, and identifying/growing membership.

Up and running stage: The co-op has been in operation for less than 3 years.

Maturing stage: The co-op has remained open and operating for 3 + years.

Surveyed cooperatives by development stage ■ = Number of co-ops



Overview of technical assistance needs among cooperatives

84% of the interviewed cooperatives sought and found necessary technical assistance in at least one aspect of development.

75% of the cooperatives seeking help encountered difficulty getting the needed assistance in one or more areas.

74% of cooperatives interviewed identified at least one area in which they expected to seek assistance in the near future.

Inventory Findings

118 co-ops in Minneapolis

- 46 do business in the City
- 37 have registered addresses
- 35 are housing cooperatives

19 surveyed cooperatives

Average members: 455

Average employees: 27

Cooperatives by type

- 47% consumer
- 21% worker
- 16% shared services
- 11% hybrid
- 5% producer

Common challenges for developing cooperatives and surveyed cooperative responses

- Start-up capital - 58%
- Cooperative membership governance - 47%
- Site selection real estate - 32%
- Cooperative accounting - 32%
- Understanding City resources / regulations - 26%
- Co-op legal issues / bylaws - 21%
- Business planning - 16%